

intent, and he claimed that this was a normal industry practice by which to ensure operating funds.

On August 13, 1996, Special Agent [redacted] FBI, and Environmental Crimes Investigator [redacted], ADEC, met with Assistant United States Attorney (AUSA) [redacted] Fairbanks, Alaska. AUSA [redacted] was advised of the investigation, the initial allegations, and the facts as they were known at that time. AUSA [redacted] concurred with further investigation.

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On March 27, 1997, SA [redacted] and Investigator [redacted] met with AUSA [redacted]. AUSA [redacted] was presented with a draft prosecutive report summarizing the captioned investigation. Based on this conversation and the information contained within the prosecutive report, AUSA [redacted] declined prosecution.

AUSA [redacted] advised that, although the investigation showed a technical violation of 18 USC 287 by [redacted] premature issuing of five Certificates of Remediation, the case could not be successfully prosecuted for the following reasons:

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

P.O. Box 100560
Anchorage, AK 99510

June 17, 1997

[REDACTED]
DBA ENVIRONMENTAL SYSTEMS, INC.

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The purpose of this memorandum is to advise the Department of Justice, Federal Bureau of Investigation (FBI), Environmental Protection Agency, or other appropriate agencies of the closure of a criminal investigation. This investigation was predicated by a criminal referral from the Alaska Department of Environmental Conservation (ADEC), and it was conducted jointly by ADEC and Fairbanks Resident Agency FBI. This memorandum does not contain any Federal Grand Jury source (Rule 6E) information.

During this investigation, [REDACTED] doing business as Environmental Systems, Inc. (ESI) was investigated for possible violation of 18 USC 287, making false, fictitious or fraudulent claims. [REDACTED] of ESI.

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ESI is a Thermal Remediation Facility at 1438 Richardson Highway, Fairbanks, Alaska. ESI is not a RCRA Treatment Storage Destruction (TSD) facility. ESI remediates non RCRA contaminated soil, primarily by means of incineration. ESI stores contaminated soil in an open lot at its Fairbanks location.

[REDACTED] allegedly attempted to defraud the Corp of Engineers by making a false \$88,190.00 claim. During early 1996, the Corp of Engineers signed a contract with Linder Construction Corporation, Anchorage, Alaska, to perform services including the remediation of 3,500 cubic yards of contaminated dirt from Fort Wainwright, Alaska. The soil remediation was subcontracted to ESI. [REDACTED] certified that ESI had cleaned and returned 2,500 yards of the dirt from Fort Wainwright. Investigation disclosed that, during the period of time in which ESI claims to have remediated the dirt, ESI did not have at its disposal in Fairbanks the incineration equipment to perform the remediation.

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[REDACTED] admitted to having signed and submitted five Certificates of Remediation, concerning the 2,500 yards of dirt, before the dirt was remediated. [REDACTED] denied any criminal

- 1 - Bureau
① - Anchorage (249-AN-11008)

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

249-AN-11008-43

Searched	Indexed
Serialized	Filed
FBI-ANCHORAGE	
JUN 23 1997	

Memorandum



To : SAC, Dallas (196B-DL-60594) (WCC5) (P) Date 8/13/93

SA [redacted]

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FAFCO GOLD CARD;
CREDICORP;
ET AL;
FBW; MF;
OO: Dallas

Captioned investigation was opened as possible target of the Group I Undercover Operation (UCO) [redacted] It was determined that the UCO would not be successful in pursuing this matter since the subject company was not primarily in the telemarketing business but was actually operating a direct-mail marketing company.

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Information has recently been received that [redacted]

Accordingly, this matter has been referred to that agency, therefore it is requested this case be closed.

- 2 - 196B-DL-60594
- ① - 196B-DL-60423

[redacted]

10/14/93

196B-DL-60423-445

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 15 1993	
FBI - DALLAS	

b6
b7C

Memorandum



To : SAC, Dallas (196B-DL-62724)

Date 9/8/92

From : SA [REDACTED]

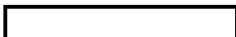
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b7E

Subject: [REDACTED]

dba ENVIRONMENTAL SYSTEMS;



FBW; MF;
OO: Dallas



FBW; MF;
OO: Dallas

The purpose of this memorandum is to identify the above captioned subjects as conducting an illegal telemarketing boiler-room operation which has been identified through the [REDACTED] Undercover Operation.

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It is requested this matter be opened and assigned, in dual-caption format as a part of the [REDACTED] operation, for continued investigation.

196B-DL-60423-422

SEARCHED	[REDACTED]	[REDACTED]
SERIAL	[REDACTED]	[REDACTED]
SEP 09 1992		
FBI - DALLAS		

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196B-DL-60423

Routing Slip
FD-4 (Rev. 8-8-89)

Date 10/29/93

To: ☐ Director

Att.: _____

FILE # _____

- ☐ SAC
- ☐ ASAC
- ☐ Supv.
- ☐ Agent
- ☐ OSM
- ☐ Rotor
- ☐ Steno
- ☐ Typist
- ☐ M
- ☐ Room

- ☐ Acknow
- ☐ Assign
- ☐ Bring file
- ☐ Call me
- ☐ Correct
- ☐ Deadline _____
- ☐ Delinquent
- ☐ Discontinue
- ☐ Expedite
- ☐ File

- ☐ Initial & return
- ☐ Leads need attention
- ☐ Mark for indexing
- ☐ Open case
- ☐ Prepare lead cards
- ☐ Prepare tickler
- ☐ Recharge file ☐ serial
- ☐ _____
- ☐ Send to _____

Title _____



for information

- ☐ Return assignment card
- ☐ Return file ☐ serial
- ☐ _____
- ☐ Return with action taken
- ☐ Return with explanation
- ☐ Search and return
- ☐ See me
- ☐ Type

*Return to SSA
Elder*

SAC *Hines*

Office _____

See reverse side

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1644536-000

Total Deleted Page(s) = 2
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Page 2 ~ b6; b7C; b7D;

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ Airtel

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 8/9/88

TO: DIRECTOR, FBI
 (ATTN: GOVERNMENTAL FRAUD UNIT,
 WHITE COLLAR CRIME SECTION;
 SSA [redacted])

FROM: SAC, MOBILE (249-15)(C)

SUBJECT: [redacted]

UNSUBS, dba
 ENVIRONMENTAL SYSTEMS, dba
 ENSCO,
 LITTLE ROCK, ARKANSAS
 ENVIRONMENTAL CRIMES -
 TOXIC SUBSTANCE CONTROL ACT
 (OO: MOBILE)

Enclosed for the Bureau are the original and four copies of a self-explanatory LHM captioned above suitable for dissemination.

One copy to be provided to USA, SDA, Mobile Ala., to the attention of AUSA [redacted]

ADMINISTRATIVE:

Information supplied by [redacted] regarding captioned investigation is singular in nature and therefore it is requested that enclosed LHM not be disseminated outside the Bureau.

1-3865
 (2) - Bureau (Enc. 5)
 1 - Mobile

(3)

CIVIL

LNRD

12 AUG 17 1988

Approved: [redacted]

Transmitted

(Number)

(Time)

Per [redacted]

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1644536-000

Total Deleted Page(s) = 3
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United States District Court

NORTHERN

DISTRICT OF TEXAS

In the Matter of the Search of

(Name, address or brief description of person, property or premises to be searched)

ENVIRONMENTAL SYSTEMS
14330 Midway Road
Suite 212
Farmers Branch, Texas

APPLICATION AND AFFIDAVIT FOR SEARCH WARRANT

CASE NUMBER: 3-93-544

I, [redacted] being duly sworn depose and say: b6 b7C

I am a(n) Special Agent, Federal Bureau of Investigation and have reason to believe

Official Title

that ☐ on the person of or ☒ on the property or premises known as (name, description and/or location)

ENVIRONMENTAL SYSTEMS
14330 Midway Road, Suite 212
Farmers Branch, Texas
(more fully described in Exhibit A)

in the NORTHERN District of TEXAS

there is now concealed a certain person or property, namely (describe the person or property to be seized)

See Exhibit B attached

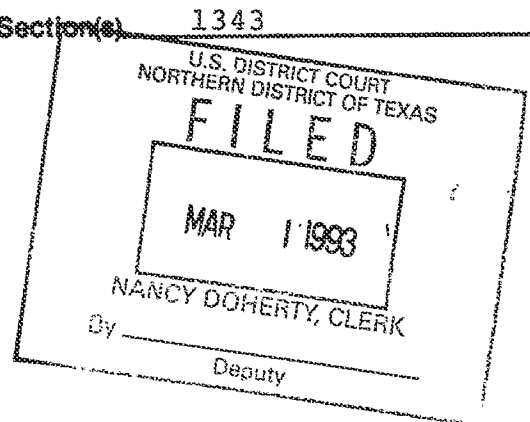
which is (state one or more bases for search and seizure set forth under Rule 41(b) of the Federal Rules of Criminal Procedure)

See attached Affidavit (Summary Section)

concerning a violation of Title 18 United States code, Section(s) 1343

The facts to support a finding of Probable Cause are as follows:

See attached Affidavit



Continued on the attached sheet and made a part hereof.

☒ Yes ☐ Nob6
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worn to before me, and subscribed in my presence

March 4, 1993

WILLIAM F. SANDERSON, JR.
U.S. Magistrate Judge

Name and Title of Judicial Officer

at

Dallas, Texas
City and State

Signature of Judicial Officer

AFFIDAVIT

I, [] upon being duly sworn, depose and say the following is true according to my knowledge and belief:

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INTRODUCTION

I am a Special Agent with the Federal Bureau of Investigation (FBI) and have held that position for approximately six years. My duties and responsibilities include the investigation of possible criminal violations regarding a scheme to defraud or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises by transmitting or causing to be transmitted by means of wire communication in interstate commerce, signs, signals or sounds for the purpose of executing such scheme to defraud (Title 18, United States Code, Section 1343) (Wire Fraud) and related offenses.

I am currently involved in an investigation of [] [] a telemarketing business known as Environmental Systems, 14330 Midway Road, Suite 212, Farmers Branch, Texas. This affidavit is in support of a search warrant for premises located at 14330 Midway Road, Suite 212, Farmers Branch, Texas.

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PROBABLE CAUSE

The following information was obtained through tape recorded meetings and telephone conversations between [] [] and Special Agents of the Federal Bureau of Investigation, acting in an undercover capacity. Affiant has

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reviewed the transcriptions of these meetings and telephone conversations which began in [] and continued through [] Affiant has also obtained information through review of documentation, interviews of FBI Special Agents and through personal experience and observations.

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1. Through meetings with FBI Special Agents, acting in an undercover capacity, it was learned that [] is operating a telemarketing "boiler room" known as Environmental Systems, 14330 Midway Road, Suite 212, Farmers Branch, Texas, which consists of a group of salespeople who place telephone calls to individuals who reside outside the state of Texas, and who attempt to solicit money from these customers by making false and fraudulent promises, pretenses, and representations.

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2. As part of the scheme to defraud, [] and his employees would contact individuals throughout the United States by telephone and these individuals would be told that they had been selected to receive, and were guaranteed to receive one of the following four awards:

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- a. a 1993 Lincoln Town Car
- b. a 59" Mitsubishi "big screen" TV
- c. five years of vacations
- d. a complete computer system, including software, laser printer, and all the extras.

Individuals were also told that the promotion required a purchase of household cleaning products to participate. [] explained to FBI Special Agents, acting in an undercover

capacity, that the individuals would be contacted through the use of lead sheets and lead cards.

3. On [REDACTED] FBI

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Special Agents, acting in an undercover capacity, posed as "potential customers" of Environmental Systems. The salespeople of Environmental Systems, through the use of interstate telephone calls, made false, fraudulent, and misleading statements, representations, and promises, to FBI Special Agents, acting in an undercover capacity, knowing that the representations and promises were false and fraudulent when made, including but not limited to the following:

a. That if the person purchased a package of household cleaning products from Environmental Systems for a price of \$399 or \$499 the person would automatically win one of the four awards, and that the person had an equal or "one in four" chance of winning any one of the four awards, when in truth and in fact the person had no chance of winning any of the four awards other than the vacation package. FBI Special Agents, acting in an undercover capacity, received their household cleaning products and award notification from Environmental Systems which included a document titled "Rainbow Premium Panorama" that disclosed the Towncar would be distributed "one after 50,000 responses", the large screen viewing would be distributed "one after 25,000 responses", and the computer system would be distributed "one after 20,000 responses". All remaining entrants would receive the vacation package.

EXHIBIT B

PROPERTY TO BE SEIZED

1. Business records and documents such as address and telephone records of associates and customers, sales and commission records, bank account records, invoices, receipts or other correspondence which provide evidence of interstate communications for the purpose of sales solicitations and any income derived therefrom, along with any ledgers, journals or other record-keeping systems, however maintained, and;

2. Telephone or other electronic communications equipment used for interstate telephone communication or transmissions which are used primarily for the purpose of making solicitations or offering inducements in order to obtain money or other property;

3. Cleaning products and other inventory, awards, travel certificates and other giveaways, which are a means of committing a criminal offense, fruits, instrumentalities and evidence of a violation of Title 18, United States Code, Section 1343.

or money orders for the amount of the purchase price to Environmental Systems, Route 1 Box 243, McKinney, Texas, or Environmental Systems, 14330 Midway Road, Suite 212, Dallas, Texas. The checks or money orders were deposited into a bank account in the name of Environmental Systems.

5. On [REDACTED] FBI Special Agents, acting in an undercover capacity as [REDACTED] met with [REDACTED] in the offices of Environmental Systems, located at 14330 Midway Road, Suite 212, Farmers Branch, Texas. During this meeting [REDACTED] discussed the operation of Environmental Systems with the FBI Special Agents.

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6. On [REDACTED], FBI Special Agents, acting in an undercover capacity, met with [REDACTED] in the offices of Environmental Systems, 14330 Midway Road, Suite 212, Farmers Branch, Texas. During this meeting, the FBI Special Agents observed telephones, pitch sheets, lead sheets, business documents such as employment documentation, bank account information, correspondence, and other records related to a "boiler room" operation.

7. On [REDACTED] provided to [REDACTED] the monthly work schedule for employees of Environmental Systems and a delayed payment approval sheet which provided information regarding the ownership of Environmental Systems and a statement of financial condition. On March 1, 1993 through March 4, 1993, the monthly work schedule indicated that employees of Environmental Systems would be working from 1:00 PM to 7:00 PM. [REDACTED] indicated on the

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form that he is the owner of Environmental Systems, 14330 Midway Road, Suite 212, Dallas, Texas. [] also indicated his salary was \$10,000 per month and he has a net worth of \$290,600.

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8. On [] an FBI Special Agent, acting in an undercover capacity, placed a telephone call to [] [] at Environmental Systems at telephone number []. The FBI Special Agent arranged to meet with [] on [] at approximately 9:00 AM at Environmental Systems, 14330 Midway Road, Suite 212, Farmers Branch, Texas.

9. My personal observation of 14330 Midway Road, Suite 212, Farmers Branch, Texas, disclosed this address as the FJN building complex. This is a one story brick office structure with a red roof, clearly identified as "FJN 14330".

SUMMARY

In summary, [] is operating a business known as Environmental Systems, and has devised a scheme to defraud and to obtain money by means of false or fraudulent pretenses by employing salesmen to make interstate telephone (wire) transmissions which consist of the communication of false and fraudulent representations and promises in order to induce innocent persons to transfer money and funds to and for the benefit of Environmental Systems and its owners and employees, in violation of Title 18, United States Code, Section 1343.

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Based on the above information, I have probable cause to believe that evidence of this crime now exists at 14330 Midway Road, Suite 212, Farmers Branch, Texas, in the form of business

records and documents such as address and telephone records of associates and customers, sales and commission records, bank account records, invoices, receipts or other correspondence which provide evidence of interstate communications for the purpose of sales solicitations and any income derived therefrom, along with any ledgers, journals, or other record-keeping systems, however maintained, and cleaning products and other inventory, awards, travel certificates and other giveaways, and telephone and communications equipment used for interstate telephone communications which are used for the primary purpose of executing this scheme to defraud.



Special/Agent, FBI

Sworn to and subscribed before me this 1st
day of March ~~X~~, 1993.

Wm. F. Sanderson Jr.
U.S. Magistrate Judge

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EXHIBIT A

DESCRIPTION OF PREMISES

14330 Midway Road, Suite 212, Farmers Branch, Texas

A one story brick office structure with a red roof, clearly identified as "FJN14330", with two entrances facing south into the parking lot. Upon entering location, from the easternmost entrance, Suite 212, is to the right, then the first door on the left. Suite 212 is composed of a reception area, a hallway, [REDACTED] office, a breakroom and a large room with cubicles and telephones.

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b. That Environmental Systems has been in business for periods of time ranging from two years to fifteen years, when in truth and in fact, on August 6, 1992, [REDACTED]

[REDACTED] filed an assumed name certificate in Collin County, McKinney, Texas, to conduct business as Environmental Systems, a Texas general partnership, Route 1, Box 243, McKinney, Texas.

FBI Special Agent [REDACTED] advised to affiant that during undercover meetings with [REDACTED] in [REDACTED] and

[REDACTED] stated he had recently started doing business as Environmental Systems. Environmental Systems was previously located in McKinney, Texas, and was relocated to Farmers Branch, Texas, in approximately October, 1992, according to statements and representations made by [REDACTED] to FBI Special Agents, acting in an undercover capacity.

c. That the vacation package was worth over \$9,000, when in truth and in fact Environmental Systems paid only \$15 for the vacation package, according to statements made by [REDACTED] [REDACTED] to FBI Special Agents, acting in an undercover capacity.

d. That the vacation package included 30 trips, that could be taken anytime over the next five years, to any location in the world, when in truth and in fact such package only included five trips, which could only be taken to thirty (30) specific destinations, and which were subject to availability of accommodations, according to documentation received by FBI Special Agents, acting in an undercover capacity.

4. FBI Special Agents, acting in an undercover capacity, purchased the cleaning products and sent their checks

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